

NSC

THE WHITE HOUSE

Washington

October 25, 1944

M E M O R A N D U M

TO: THE PRESIDENT

FROM: MR. LUBIN

SUBJECT: A PERMANENT UNITED STATE FOREIGN
INTELLIGENCE SERVICE

As you no doubt know, Bill Donovan's Office of Strategic Services has been doing some swell work. It occurred to me that there will be room after the war for a service in the United States Government which would carry on some of the work now being done under Donovan's auspices.

Prior to the present war the United States had no adequate secret intelligence service, nor any over-all intelligence organization. After the war I think there will be a need for a continuous flow of intelligence which could be used for the development of American foreign policy.

Such a service should in no manner encroach upon the duties of the established intelligence services of the Army, Navy and Air Forces. They have a specific function to perform which is directly related to size of armies, location of armies and equipment available. What I have in mind is an organization that would collect, analyze and disseminate intelligence on the policy and strategy levels. It should objectively and impartially serve the needs of the combined diplomatic, military and economic services of the Government.

It would be made up of specialists who were professionally trained in intelligence analysis, with a high degree of competence and knowledge in the economic, social and geographic factors that prevail in different countries throughout the world. It was this sort of information that we sadly lacked when we entered the war.

The nucleus of such an organization already exists in the Office of Strategic Services. It has the trained

personnel

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Item 8

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* subject to NSC concurrence

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personnel, the foreign contacts, the administrative organization and the operating experience. It should be headed up by a civilian. Policies should be determined with the advice and assistance of a board upon which the Department of State and the armed services should be represented.

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C O P Y

2/8/52 - ABD

THE WHITE HOUSE

WASHINGTON

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October 31, 1944.

CONFIDENTIAL

MEMORANDUM FOR

GENERAL DONOVAN:

I am sending the enclosed to you
for your eyes only. Will you be thinking
about this in connection with the post-war
period?

F.D.R.

C O P Y
ABD - 2/8/52

October 26, 1944.

Bill Donovan's comprehensive plan for a post-war intelligence service is, I understand, being forwarded to you for your consideration.

In my opinion, consideration should be given to the probability that the British Intelligence has already penetrated the Donovan organization and is thoroughly familiar with its methods, plans and personnel. If it is continued after the war, its greatest usefulness might be as a means of letting the British think they know what information is reaching us. Since they will be pursuing their own ends, which are not necessarily either hostile to or synonymous with our own ends, reliance should be placed on the alternative method which this Unit, at your suggestion, employed throughout 1941.

This is much less expensive and involves a small and informal central office, adequately camouflaged, utilizing chiefly foreign contacts of American business, with the despatch of occasional "look-see" agents in special circumstances, and with the evaluation of reports entrusted to the State Department working in liaison with the F.B.I., Military and Navy Intelligence Services.

Since post-war trends will discourage expenditure of Federal funds for foreign espionage, I recommend that this other system be given serious consideration. If you should wish, I would like to organize and direct it. In any case, I should like to give any advice and assistance desired by whomsoever you select.

SECRET

C O P Y

2/8/52 - ABD

7 November 1944

MEMORANDUM FOR THE PRESIDENT

Thank you for your memorandum with inclosure relative to post war intelligence.

I am afraid that the author is in the "horse and buggy stage" of intelligence thinking. His suggestion would hardly meet the basic requirements of the Armed Services, the State Department and other Executive branches of the Government.

It was the failure for all these years to appreciate the complexity of building and directing intelligence as well as subversive operations over a world-wide network that has made the problem so difficult for us in this war.

Despite these difficulties however, under your authority and with your support there has been established for the first time in our history an independent American Intelligence Service which has already won the respect of similar services in other countries.

Your correspondent suggests that OSS has been penetrated by the English Intelligence Service. If by penetration is meant that we have worked closely together with that Service in the spirit of cooperation that you have urged upon us, then the statement is true; but if more than that is meant, the statement is not true and on the contrary we have greatly profited by our working with the British and at the same time we have maintained the integrity of our organization.

In point of fact you would be interested to know that both our Allies and our enemies know less about our inner workings than we do about theirs.

William J. Donovan .
Director

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Central Intell. Bureau

THE WHITE HOUSE

WASHINGTON

October 31, 1944

CONFIDENTIAL

MEMORANDUM FOR

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F.D.R.

S E C R E T

OFFICE OF STRATEGIC SERVICES
Washington, D.C.

7 November 1944

TO: General William J. Donovan

FROM: Louis M. Ream

This will confirm our several recent conversations in regard to relations with Dr. Lubin, etc. at the White House in regard to a permanent central intelligence agency.

One of the recent important developments is that Dr. Lubin definitely stated to Major Rosenbaum and the writer that the FBI should not have any intelligence functions outside the United States. This completely eliminates this agency from consideration, as it should be.

Louis M. Ream
Deputy Director
Administrative Services

S E C R E T

INTERPRETIVE NOTES OF MEMORANDUM

FOR THE PRESIDENT

18 November 1944

The present situation in the intelligence field is analogous to a large industrial plant producing parts of a complicated product without an assembly line. Our intelligence system consists of a number of disparate agencies, each trying vainly to satisfy national requirements. The ill-defined functions of each permit confusion, duplication, and inevitable competition. The resulting waste of manpower and talent, while deplorable, is not the worst aspect. None of the agencies has both adequate resources and logical scope of activity to satisfy national requirements.

The extent and nature of such essential authority has been outlined in a memorandum to the President dated 18 November 1944. The enclosure (Tab A), "Substantive Authority Necessary in Establishment of a Central Intelligence Service," provides essentially for the effectuation under the supervision of the President of a central operating agency with authority to:

- a. Formulate national intelligence policies and objectives;

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- b. Coordinate the intelligence activities of other Government departments and agencies;
- c. Perform certain secret intelligence activities inappropriate for other departments and agencies;
- d. Prepare for the President and other appropriate agencies of the Government intelligence on the strategic or national policy level as distinguished from the departmental level.

Lacking authority for these broad functions, no substantial improvement in national intelligence is believed to be possible. The purposes of the specific provisions enumerated in the memorandum are explained below in the order of paragraphing in Tab A.

Paragraph 1. The intelligence objectives sought are national in scope. The effort is concerned with problems of peace as well as war and is designed to be permanent during varying fluctuations in relative interests as between military and civilian departments of government. Any authority less than the President is too restrictive for the broad purposes of national intelligence.

Paragraph 2. It is contemplated that this Advisory Board be charged, subject to the approval of the President, with the delineation of national intelligence policy and

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plans; with setting forth intelligence objectives, where practicable, well in advance of events; and with coordinating or harnessing the several departmental intelligence agencies in the common task. The director of the central agency administers the agency in accordance with such basic policies, plans and principles as may be approved and promulgated by the President. The intelligence resources of the central organization are available to the Advisory Board for the research necessary to these ends.

Paragraph 3. Note that in its operations the central agency relies upon the advice and assistance of other departments and agencies of the Government. The central agency is not to be a thing apart, but rather the means for synthesizing the intelligence resources of them all. It serves them all in their joint or combined operations.

Paragraph 3(a). This paragraph needs no clarification, and should require no justification. See paragraph 2 above.

Paragraph 3(b). In order to have available comprehensive subject material required for intelligence studies bearing upon national security, policies and interests, systematic collection is necessary. In principle, collection should be decentralized as far as practicable and should be pri-

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marily a responsibility of departmental intelligence agencies. Intelligence so gathered and in form required must be furnished promptly and unreservedly to the central agency. (See discussion of paragraph 7.)

Some types of intelligence material, however, can more appropriately and economically be collected directly by the central agency. This is true of certain highly secret or highly specialized information of vital interest to the Government as a whole but not alone to any individual department.

For obvious reasons this is also true of clandestine intelligence, which may be defined as intelligence regarding the activities and capabilities of foreign nations and nationals affecting U.S. interests which the foreign governments wish to withhold from our government, and which normally must be obtained by an organization operating covertly. Clandestine intelligence includes counter-espionage which constitutes the means of protecting the entire intelligence and security systems from penetration. The collection of this type of intelligence requires intricate operations, and, except for specific tasks which may be delegated to departmental agencies under careful security measures, must be centrally administered.

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Representatives of the central agency abroad engaged in clandestine intelligence would operate under a variety of appropriate covers. In many instances this work should be coordinated by a representative of the central agency on the staff of the chief of the local diplomatic or consular mission. The chief of mission should be afforded the results of counter-espionage operations and all pertinent clandestine positive intelligence which cannot embarrass the chief of mission through his knowledge of operational details or which does not endanger sources. In turn the chief of mission should make available to the representatives of the central service pouch and radio communications facilities under complete security.

While the collection of certain types of intelligence material can be partially or wholly farmed out to departmental and other intelligence agencies, the cataloging and central assembly of such material is a national responsibility and can be accomplished effectively only by the central agency. Despite much duplication in these fields, no complete records exist. Typical of deficiencies in our intelligence system is the absence of national libraries or catalogs and indexes of:

Maps (Maps are essentially intelligence material. Reference here is not to historical collections, such as that in the Library of Congress.)

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Pictorial Records (Strategic or other intelligence films and still photos.)

Biographical Records (of all foreigners who do or may in the future influence our national interests. These records do not include subversive individuals. Such individuals are recorded in highly secret files--also on a national scope--of the counter-espionage branch of the central agency, whose functions are elsewhere described).

Paragraph 3(c). This fills the most serious gaps in the existing intelligence system, namely, the lack of an "assembly line" or focal agency where all subject intelligence material is finally evaluated, analysed and synthesized. The resultant memoranda, studies or estimates should represent the most comprehensive, complete and precise intelligence available to the Government. Only a central agency is competent to furnish the intelligence studies required by Government agencies responsible for joining planning and policy affecting national security and broad national interests. Such studies involve expert research into some or all of the following factors: military, economic, political and technological.

Recipients of such intelligence would include:

The President.

Policy-making agencies specified by the President.

The Joint Chiefs of Staff and its agencies.

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Commanders of Joint Operations (in
so far as they require other than
combat and departmental intelligence).

The justification for the two latter recipients may be less evident than the others. Agencies of the Joint Chiefs cannot be expected to evaluate and synthesize partial contributions of the several departmental intelligence agencies. This should be done by a central agency. At present the mechanism for this work is the JIC. But the JIC suffers from the ineffectiveness inherent in committees and, in addition, from its lack of coordinating or other authority.

Commanders of joint expeditions at present have the option of setting up their own joint intelligence agencies or being dependent upon haphazard intelligence from the various departmental agencies. Both expedients are unsatisfactory. In building up individual joint agencies, either they lack resources and talent or else they waste manpower. In depending upon the separate departmental agencies, experience shows that the intelligence from the departmental agencies has been fragmentary and narrow of scope. While the situation varies in each theater, broad strategic or policy intelligence available to theater commanders has generally been deficient.

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The British Government is not to be condemned when high American commanders in Europe lean heavily upon British strategic and policy intelligence. There exists no American agency wholly competent to prepare or responsible for furnishing intelligence of American origin. Intelligence staffs in the various military commands may satisfy combat demands, but policy intelligence from American sources is inferior. Hence it is supplied largely by the better developed British system.

Paragraph 3(d). An important feature of the project is the procurement and training of superior intellectual types for the varied specialties required in the higher intelligence field. In the armed services those officers who have demonstrated their superior aptitude for intelligence work in the departmental agencies should be chosen for key positions in the central agency. There should be a recognized career for officers who devote themselves to intelligence work with benefits comparable to those in other specialized fields.

Military, naval and air attaches and observers of the future should be indoctrinated in the broader intelligence requirements by service in the central agency before being sent to foreign posts.

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Of even greater importance, however, is the opportunity which a central agency afford for exploiting the wealth of civilian talent in the United States. The objective is to create a framework in which the professional military man and the professional civilian can collaborate to mutual advantage and to the benefit of the nation.

Specific legislative provisions should be sought to permit the employment of outstanding civilian talent under favorable conditions of pay, emoluments and terms of service in order to insure continued availability of requisite experts both during peace and war. Civil service regulations should be made inapplicable to such specialists.

Administrative provisions should permit the rotation of expert civilian personnel in order to permit recurrent employment of the best available talent from academic, scientific and other specialized professions. These experts would bring their specialized abilities to government service and carry back to their institutions knowledge of the realities of official practice.

Paragraph 3(e). This paragraph applies primarily to wartime but it also may be an effective weapon in defense of national interests in any situations where these interests

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are actively threatened. In appropriate situations, subversive operations include these activities listed in paragraph 5, a and b. in JCS 115/11/D.

Subversive operations and clandestine intelligence are recognized by all foreign governments as ancillary to each other. In peacetime war experience must be preserved and the study of such operations on a basis of current intelligence must be continuous in order that when war again threatens, the subversive operations may be quickly developed and enemy activities of the same nature circumvented.

Paragraph 3(f). (See discussion under paragraph 3(b)). This coordination is essential for orderly and mutually supporting methods of collection by the central agency and departmental agencies. Except for certain types of highly secret intelligence, it should be a principle to place responsibility for collection as far as practicable upon the departmental agencies.

Paragraph 4. Recognition is here given to the fact that there are two distinct functions: that of a security police system at home dependent upon coercion and law enforcement as its weapon; and an agency wholly without coercive or police duties whose functions is intelligence alone which intelligence is made available to such appropriate law en-

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forcing authorities as may exist, either civil or military. The counter-espionage and other clandestine activities of the central agency are of the latter type.

Paragraph 5. While recognizing the principle of decentralization in the collection of intelligence to departmental agencies and of making each of these agencies responsible for evaluating, synthesizing and disseminating intelligence appropriate to its own operations, it is just as important to delimit clearly their activities and functions as it is to centralize responsibility for strategic and policy intelligence in the central agency. It is only by this method that each agency produces intelligence appropriate to its operational necessities and thereby eliminates duplication and confusion in the intelligence field.

Much of the existing confusion and waste of manpower is due to futile attempts on the part of some departmental agencies to undertake the responsibilities of an over-all, focal service.

Paragraph 6. This paragraph is designed not only to give authority to the Director to draw on the best functional talent but, more importantly, to cause departmental agencies to assume responsibility for effecting within the framework

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of the central agency the best research in the field of their operational interests.

Thus the central agency becomes not a thing apart, but rather a national intelligence cartel in which all departmental agencies have a participating interest. For example, the State Department, having a primary interest in political research, should furnish supervisory personnel to insure that such research is of high order and meets its requirements. State Department personnel likewise must see to it that all information in the Department is available to political research workers. The same is true with respect to FEA in the economic field, and the armed services in the military field.

Paragraph 7. The whole system of intelligence fails unless the central agency has access to all pertinent informational sources of the Government. The principle of security has scrupulously to be observed, but information is useless if casually suppressed on the score of security. The arbiter of security should be the central agency. Security should not be allowed to become either a fetish or a device to obstruct rational dissemination of information to appropriate agencies.

The central agency is not conceived to be the recipient of masses of raw material. Some selected and evalu-

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ated raw material may be requisite to the research groups of the central agency. Particularly is this true of current information and cable despatches. Generally, however, requisition should be made on departmental agencies for particular types of information, data and memoranda or studies covering specific aspects of intelligence work in progress.

Paragraphs 8, 9 and 10. No remarks necessary.

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Exchange of memoranda between President Roosevelt, General Donovan and others discussing the creation of a permanent Foreign Intelligence Service, 18 pp.; typed.			HS/HC-31 H Item 8 ✓	

ABSTRACT

These memoranda discuss the merits of a foreign intelligence service and the need to extend its operations after World War II. In a memorandum to President Roosevelt, Mr. Lubin of the White House Staff points out that the United States will need to continue its intelligence service in the post-war period to keep the military informed, and that the intelligence service should be a centralized agency which would control all intelligence activities, thereby leaving the FBI out of foreign intelligence collection.

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